An Act

ENROLLED SENATE
BILL NO. 737

By: Hall and Floyd of the Senate

and

Fetgatter and Tedford of the House

An Act relating to film rebate incentives; amending 68 O.S. 2021, Sections 3635 and 3638, which relate to the Filmed in Oklahoma Act of 2021; modifying period for certain rate of reimbursement; modifying requirements to provide certain promotional materials for this state; updating statutory reference; clarifying statutory language; and declaring an emergency.

SUBJECT: Film rebate incentives

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 68 O.S. 2021, Section 3635, is amended to read as follows:

Section 3635. A. Subject to the final approval of the eligibility application by the Oklahoma Department of Commerce, a requirement that the incentive payments made pursuant to the provisions of ~~this act~~ the Filmed in Oklahoma Act of 2021 achieve the maximum positive impact for the Oklahoma economy and subject to the Oklahoma workforce requirements of Section ~~7~~ 3637 of this ~~act~~ title, the base incentive amount for a project filmed in this state shall be a maximum of twenty percent (20%) of the qualified production expenditure amount. An incentive for a project filmed in this state for wages paid to nonresident crew, not including above-the-line personnel, before ~~July 1, 2023~~ April 1, 2023, shall be provided in the amount of seven and one-half percent (7.5%).

B. In addition to the amount authorized by subsection A of this section, there may be an additional incentive amount, subject to the final approval of the Oklahoma Department of Commerce, in the maximum amount of:

1. Three percent (3%) of the qualified production expenditure amount for projects where at least twenty-five percent (25%) of main crew principal photography days are filmed on location, excluding sound stage production, in any county of this state if the county has a population of less than two hundred fifty thousand (250,000) persons according to the ~~federal~~ Federal Decennial Census or most recent population estimate;

2. Two percent (2%) of the qualified production expenditure amount for projects whose hub location, as determined by the Department, is ~~or~~ for projects where at least twenty-five percent (25%) of main crew principal photography days are filmed on location, excluding sound stage production, in a municipality having a population of thirteen thousand (13,000) or fewer persons according to the ~~federal~~ Federal Decennial Census or most recent population estimate regardless of the county in which the municipality is located or partially located;

3. Five percent (5%) of the qualified production expenditure amount for soundstage expenditures if at least twenty-five percent (25%) of main crew principal photography days are filmed at a qualified soundstage facility;

4. For eligible television series as defined in paragraph 4 of Section ~~2~~ 3632 of this ~~act~~ title:

a. two percent (2%) of the qualified production expenditure amount for an eligible television episodic pilot, and

b. five percent (5%) of the qualified production expenditure amount if a television series is filmed for one or more seasons;

5. Five percent (5%) of the qualified production expenditure amount for an eligible multi-film deal as defined in paragraph 7 of Section ~~2~~ 3632 of this ~~act~~ title; and

6. Three percent (3%) of the qualified production expenditure amount based on expenditures paid to Oklahoma vendors for post-production expenses with a minimum expenditure of three percent (3%) of Oklahoma production expenditures. Post-production expenditures include but are not limited to the following categories:

a. sound recording or mixing,

b. color grading,

c. editorial work,

d. visual effects,

e. animation,

f. deliverables, excluding marketing and advertising,

g. music production, recording, mixing or composition,

h. licensing of Oklahoma music, and

i. editing equipment or editing facility rental.

SECTION 2. AMENDATORY 68 O.S. 2021, Section 3638, is amended to read as follows:

Section 3638. All production projects for which any incentive is paid pursuant to the provisions of this act shall contain a logo, as approved by the Oklahoma Department of Commerce, to be displayed in the ~~end~~ credits of the finished production <u>for a period of at least five (5) seconds</u> or, if the production does not contain ~~end~~ credits, the Oklahoma Department of Commerce shall obtain a commitment by the production company to provide equivalent value as determined by the Oklahoma Department of Commerce.

SECTION 3. It being immediately necessary for the preservation of the public peace, health or safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

Passed the Senate the 15th day of May, 2023.

Presiding Officer of the Senate

Passed the House of Representatives the 18th day of April, 2023.

Presiding Officer of the House of Representatives

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this 16th day of May, 20 23, at 10:23 o'clock a. M.

By: [signature]

Approved by the Governor of the State of Oklahoma this 22nd day of May, 20 23, at 8:25 o'clock a. M.

Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this 22nd day of May, 20 23, at 10:10 o'clock A. M.

By: [signature]